

Monday 20<sup>th</sup> June, 2016

### Gold and Graphite Developments – Portfolio Stock (initial coverage @ \$0.025 in Oct 2015)

**Aurora Minerals (ASX: ARM, Share Price: \$0.05, Market Cap: \$5.8m)** represents a mini resource investment house. Under a revamped and highly experienced management team, the company has utilized its solid cash reserves to invest in a trio of promising up-and-coming ASX-listed resource plays, encompassing gold exploration in West Africa and base metals/lithium/graphite in South Korea.

*Aurora has advised that Peninsula Mines (ASX: PSM - 32.5% stake) has released grab samples of 48% - 66% TGC from one of its advanced project areas in South Korea; whilst Predictive Discovery (ASX: PDI – 43.1% stake) has released high-grade drilling results in Cote d'Ivoire, including 7.5 metres at 16 g/t Au .*



### Market Significance

Aurora Minerals is benefitting from strong performances from all three of its ASX-listed investments. Aurora Minerals maintains a 32.2% stake in Peninsula Mines (ASX: PSM) that's currently worth \$5.7m; a 43.1% stake in Predictive Discovery (ASX: PDI) that's currently worth \$2.9m and its 13.4% stake in Golden Rim Resources (ASX: GMR) that's currently worth \$1.0m - making a total of \$9.6m. If we include cash reserves of \$3.3m, we reach a total of \$12.9m (or 11c/share NTA) – which compares with Aurora's current market value of just \$5.8m (and share price of 5.0c/share) – a 55% discount to current NTA.

## Announcement Detail – Peninsula Mines (ASX: PSM) Graphite Project Update

Aurora’s subsidiary, Peninsula Mines, through its wholly-owned South Korean subsidiary, Suyeon Mining Co (SMCL), has filed five tenement applications over the Wolmyeong project, which includes two former graphite mines - Wolmyeong on the western flank of Mount Paleum and Deuksu on the mountains southern flank. The area to the east was reportedly mined for anthracitic coal and is not available for grant by the Ministry.



**Figure 1:** Location plan of South Korean projects

During the initial reconnaissance mapping phase, a number of historic adits, dumps and areas of surface spoil were located. Three dump samples and a channel sample across an adit portal were taken, with the aim of confirming the tenor of grades previously reported by KMPC from Wolmyeong. The samples were prepped by ALS Guangzhou and analysed by ALS Vancouver.

The four SMCL samples returned high-grade graphite values of between 48% and 66% TGC, confirming the tenor of the grades previously reported by KMPC.

During a second field visit to Wolmyeong during April, a metallurgical sample was collected from an accessible underground adit, sourced from workings developed on the middle graphite horizon. The sample was taken around 80 metres into the adit from graphitic ore washed from stopes. The metallurgical sample visually appears to be high-grade and the test-work sample is currently being processed by Nagrom Laboratories in Perth, with results expected later this month.

## Technical Significance

Field observations have confirmed the presence of three distinct graphite-bearing horizons at the Wolmyeong project area. Graphite can be observed as semi-continuous sub-cropping or outcropping horizons. At this stage, not all the previously mapped exposures have been examined, but initial investigations have confirmed the presence of graphite-bearing horizons striking for more than 1km in an approximately east-west direction.

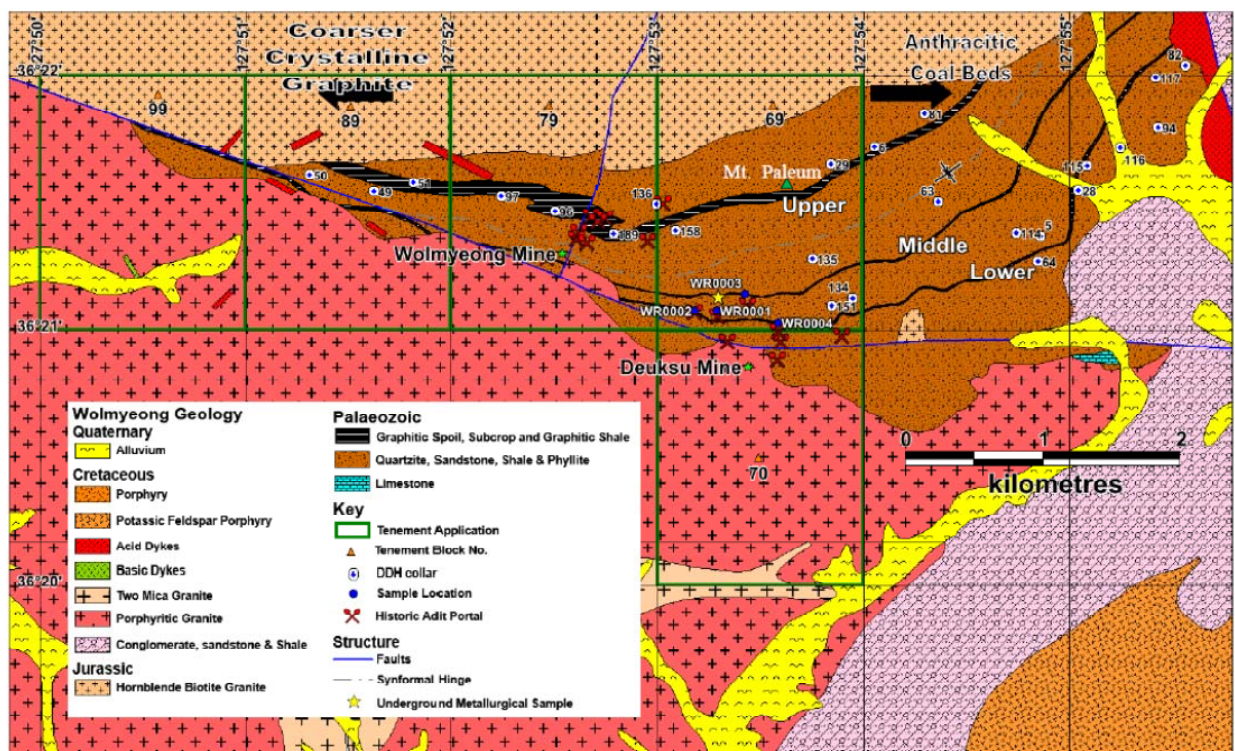


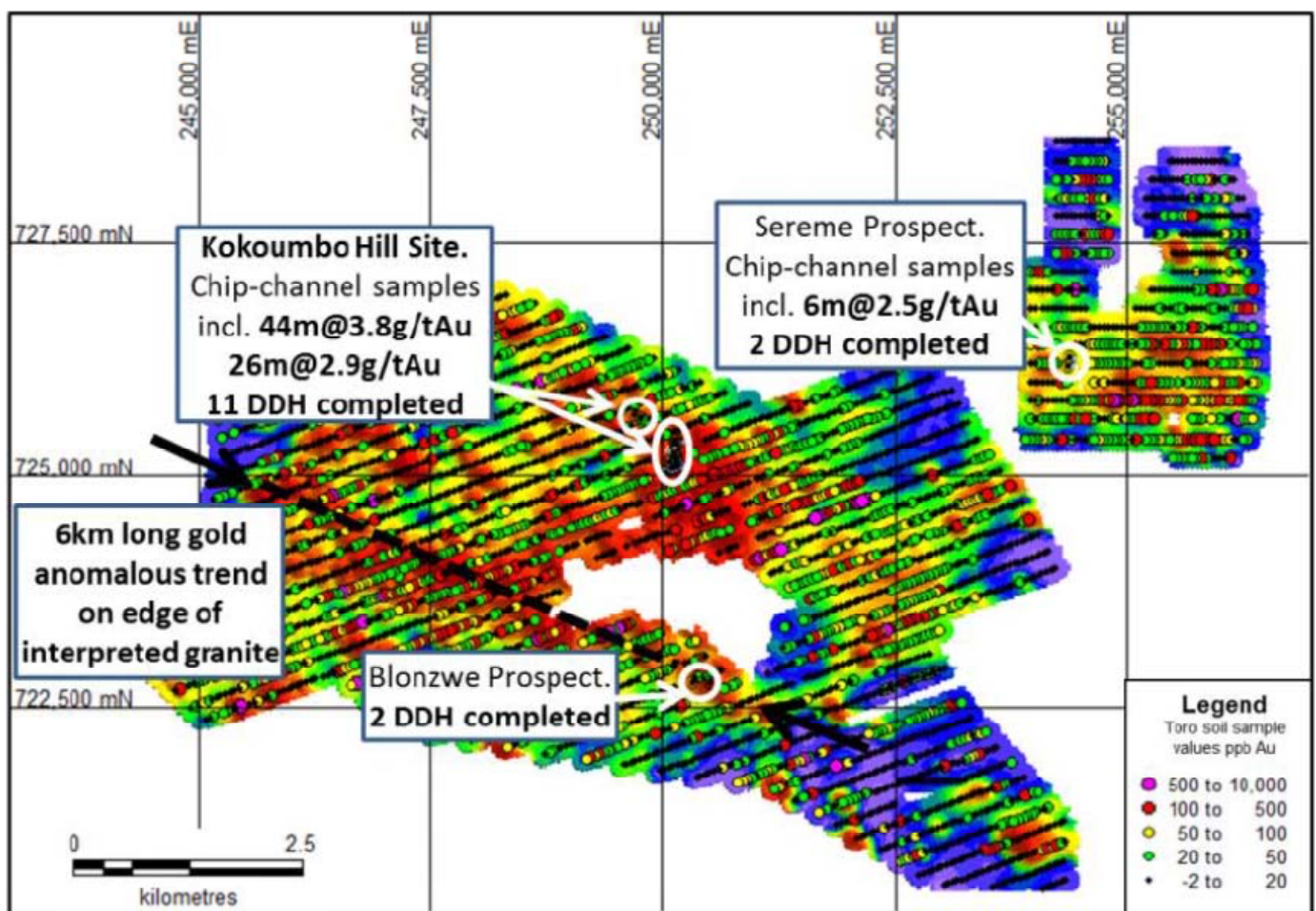
Figure 2: Plan showing the location of the former Wolmyeong and Deuksu mines and the SMCL tenement applications

The Middle and Upper Graphite Horizons seen in surface outcrop are nominally 0.5 metre -1.5 metres wide, with graphitic spoil from mining activities masking the outcrop in many places. Historic underground mining reports describe the graphitic units as reaching widths of up to 20 metres in places. The Upper or northern-most horizon has a broader surface footprint, with a number of graphitic seams of varying widths occurring within a 30-metre to 60-metre wide zone of graphite mineralisation. Graphitic spoil material obscures much of the surface outcrop.

Historically, a number of drill-holes were drilled during the 1960s and 1970s by the Geological Survey of Korea (now KIGAM) and the results of this historic drill-work are currently being compiled. Wolmyeong was formerly the largest graphite mine in South Korea, where extremely high grades of graphite were historically mined from the three consecutive metamorphosed coal-bearing horizons. Historical underground development was highly selective and of limited extent, therefore significant mineralization potential remains both along strike and down-dip.

## Announcement Detail – Predictive Discovery (ASX: PDI) Gold Project Update

Aurora’s subsidiary, Predictive Discovery, has reported encouraging initial assay results from the first three drill-holes completed by Toro Gold in their recent diamond drilling program on Predictive’s Kokoumbo project in Cote D’Ivoire.



**Figure 2:** Location of Kokoumbo diamond drill locations, superimposed on a colour-gridded image of gold in soil geochemistry

15 diamond drill-holes totalling 1,610 metres were completed during April 2016, with the diamond drilling program testing three prospects - Kokoumbo Hill, Sereme and Blonzwe. The first three holes all intersected near-surface gold values, as follows (at a 0.5g/t Au cut-off):

- KOD001: 7.5 metres at 16.0g/t Au from surface, including 1.5m at 74g/t Au from 6.0m

- KOD002: 7.5 metres at 1.6g/t Au from surface
- KOD003: 4.5 metres at 3.4g/t Au from surface

### **Technical Significance**

Each of these holes have intersected a narrow layer of soil or colluvium followed by saprolite (i.e. very strongly weathered rock) of what are interpreted to be mafic volcanics. The presence of good gold grades well into the weathered bedrock is encouraging, as it suggests a primary gold source. However, the presence of gold in a shallow surface layer could also suggest supergene enrichment.

Predictive and Toro are awaiting the results of the 12 remaining holes from this initial drilling program on the Kokoumbo permit before discussing the objectives and timing of the next phase of exploration.

### **Summary**

**We initiated coverage of Aurora Minerals around \$0.025 during October 2015 – representing a current gain of 100%.**

**Aurora Minerals is a simple value story – the company is run by well respected geologist and ex-analyst Martin Pyle, who has 25 years' finance and resource industry experience – and there is a large discrepancy between the company's nuts-and-bolts valuation of \$12.9m and its current market valuation of just \$5.8m. All three of Aurora's current investments represent quality, well-managed exploration plays. Accordingly we maintain Aurora Minerals within our theoretical Portfolio.**

**Disclaimer:** Gavin Wendt, who is a director of Mine Life Pty Ltd ACN 140 028 799, compiled this document. It does not constitute investment advice. In preparing this report, no account was taken of the investment objectives, financial situation and particular needs of any particular person. Before making an investment decision on the basis of this report, investors and prospective investors need to consider, with or without the assistance of a securities adviser, whether the information is appropriate in light of the particular investment needs, objectives and financial circumstances of the investor or the prospective investor. Although the information contained in this publication has been obtained from sources considered and believed to be both reliable and accurate, no responsibility is accepted for any opinion expressed or for any error or omission in that information.